

FISCAL UPDATE Article

Fiscal Services Division

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FY 2018 GENERAL FUND BUDGET SURPLUS

FY 2018 Actual vs. Estimated. The FY 2018 General Fund ended the fiscal year with a surplus of \$127.3 million. This was \$95.6 million more than the previous estimate of \$31.7 million. Total net General Fund receipts ended the fiscal year at \$7.384 billion, which was \$103.3 million (1.4%) more than the estimate used at the close of the 2018 Legislative Session (**Table 1**). Net appropriations ended the fiscal year \$7.7 million (0.1%) higher than estimated due to adjustments to standing appropriations being \$6.8 million more than estimated and reversions being \$0.9 million less than estimated.

Table 1			
FY 2018 General Fund Budget			
(Dollars in Millions)			
	FY 2018		
	Estimated 2018 Session	Actual	Actual vs Estimated
Resources			
Net General Fund Receipts	\$ 7,280.6	\$ 7,383.9	\$ 103.3
Surplus Carryforward	0.0	0.0	0.0
Total Resources	<u>\$ 7,280.6</u>	<u>\$ 7,383.9</u>	<u>\$ 103.3</u>
Appropriations			
Enacted Appropriations	\$ 7,268.6	\$ 7,268.6	\$ 0.0
Adjustments to Standing Appropriations	- 4.0	2.8	6.8
Transfer to Economic Emergency Fund	13.0	13.0	0.0
Net Supplemental/Deappropriations	- 23.3	- 23.3	0.0
Total Appropriations	<u>\$ 7,254.3</u>	<u>\$ 7,261.1</u>	<u>\$ 6.8</u>
Reversions	- 5.4	- 4.5	0.9
Net Appropriations	<u>\$ 7,248.9</u>	<u>\$ 7,256.6</u>	<u>\$ 7.7</u>
Ending Balance – Surplus	<u>\$ 31.7</u>	<u>\$ 127.3</u>	<u>\$ 95.6</u>

FY 2018 Revenues. Of the total \$103.3 million revenue increase compared to the estimate, personal and corporate income taxes comprised \$74.8 million and \$32.9 million. Sales and use tax receipts came in below the estimate by \$9.8 million (0.4%). All other taxes, receipts, and transfers ended the fiscal year \$5.4 million above the estimate (**Table 2**).

Table 2
Summary of FY 2018 General Fund Net Receipts
(Dollars in Millions)

	FY 2018		Actual vs Estimated	Percent Change
	Adj. REC Estimated	Actual		
Net Receipts				
Personal Income Tax	\$ 3,806.2	\$ 3,881.0	\$ 74.8	2.0%
Sales/Use Tax	2,396.0	2,386.2	-9.8	-0.4%
Corporate Income Tax	410.3	443.2	32.9	8.0%
Other Taxes*	238.4	238.5	0.1	0.0%
Other Receipts	309.0	314.0	5.0	1.6%
Subtotal – Net Receipts	<u>\$ 7,159.9</u>	<u>\$ 7,262.9</u>	<u>\$ 103.0</u>	<u>1.4%</u>
Transfers	120.7	121.0	0.3	0.2%
Total Net General Fund Receipts plus Transfers	<u>\$ 7,280.6</u>	<u>\$ 7,383.9</u>	<u>\$ 103.3</u>	<u>1.4%</u>

* Other Taxes includes: Inheritance, Insurance, Beer, Franchise Tax, and miscellaneous taxes.

Reserve Funds. In accordance with Iowa statute, the FY 2018 General Fund surplus of \$127.3 million is appropriated to the State's reserve funds for FY 2019 to the extent that the reserves reach a combined balance of 10.0% of the FY 2019 adjusted revenue estimate. For FY 2018, the combined balances of the Cash Reserve Fund and the Economic Emergency Fund totaled \$620.3 million. This was \$116.8 million below the 10.0% goal of \$737.1 million. For FY 2019, the reserve funds are projected to be at the 10.0% maximum balance of \$762.1 million (**Table 3**).

Table 3 State of Iowa Reserve Funds (Dollars in Millions)		
	Actual FY 2018	Estimated FY 2019
Cash Reserve Fund		
Balance Brought Forward	\$ 422.4	\$ 442.4
Gen. Fund Appropriation from Surplus	0.0	127.3
Special General Fund Appropriation	20.0	113.1
Total	\$ 442.4	\$ 682.8
Transfer to Economic Emergency Fund	0.0	- 111.2
Ending Balance	\$ 442.4	\$ 571.6
<i>Maximum 7.5%</i>	\$ 552.8	\$ 571.6
Economic Emergency Fund		
Balance Brought Forward	\$ 182.9	\$ 177.9
Excess from Cash Reserve	0.0	111.2
Total	\$ 182.9	\$ 289.1
Transfer to Taxpayer Trust Fund	\$ 0.0	\$ 0.0
Executive Council – Performance of Duty	- 18.0	- 6.0
Special Transfer to and from General Fund	13.0	0.0
Excess Transferred to General Fund	0.0	- 92.6
Ending Balance	\$ 177.9	\$ 190.5
<i>Maximum 2.5%</i>	\$ 184.3	\$ 190.5

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